Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Cross Ownership of Broadcast Stations and Newspapers	)	MM Docket No. 01-235
	)	
	)	
Newspaper/Radio Cross-Ownership Waiver Policy	)	MM Docket No. 96-197
	)	

Comments of
American Federation of Labor and Congress of Industrial Organizations

Joel S. Yudken, Ph.D.
Christine Owens
Public Policy Department
815 16th Street, NW
Washington, D.C. 20006
(202) 637-3958 (phone)
(202) 508-6967 (fax)
jyudken@aflcio.org

Dated: December 5, 2001

Introduction

These are the comments submitted by the American Federation of Labor and Congress of Industrial Organizations (AFL-CIO), filed in response to the Federal Communications Commission *Order and Notice of Proposed Rulemaking* to consider revisions to its newspaper/broadcast cross-ownership rule. In this proceeding, the Commission seeks comments on whether and to what extent it should revise this rule which bars common ownership of a broadcast station and a daily newspaper in the same market.

The AFL-CIO is a federation of national and international unions representing 13 million working people and their families. Over 171,000 of our members work in the broadcast and newspaper industries. Many of them have particular job-related concerns regarding the on-going restructuring and consolidation of media ownership over the past few decades, a transformation enabled and accelerated by the introduction of powerful, rapidly evolving digital information and networking technologies.

Our members also are consumers of broadcasting and print media, and more important, they are citizens of a democratic society whose preservation depends on wide public access to diverse sources of information and viewpoints available through multiple media channels. The AFL-CIO, its member unions, and union members and their families have become increasingly concerned with the growing concentration of media markets, both nationally and locally, and the implications of this trend for democratic public discourse.

I. Ownership Concentration Reduces Diversity of Voices

In the *Order and Notice of Proposed Rulemaking* regarding broadcasting/newspaper cross-ownership,[1] the Commission recognizes that while the number of media outlets has grown, the concentration in their ownership has increased as well. Moreover, it acknowledges that this growth has coincided with relaxing of media ownership rules—e.g., the relaxing of the national TV ownership limit and local radio ownership rules. For example, the Commission notes that, "while in 1975 a single entity could not own more than 14 radio stations nationwide, today one entity owns more than 1,000 radio stations nationwide." Since the Telecommunications Act of 1996 was enacted, the number of owners of commercial radio stations declined from approximately 5,100 to approximately 3,800, a decrease of 25 percent. Similarly, since 1995 the number of entities owning commercial TV stations has dropped from 543 to only 350.[2] In October, 1999 at a Senate Judiciary Committee hearing to consider the antitrust implications of Viacom's purchase of CBS, Senator Paul Wellstone pointed out that in 1983 about fifty conglomerates controlled more than half of all broadcast and other media in the United States; after a decade and a half of mega-mergers, that figure has shrunk to eight.[3]

Newspaper ownership has rapidly consolidated as well. Gannett, after a multibillion dollar spate of acquisitions in 2000, has grown from 74 daily newspapers to 99. Gannett now produces one out of every seven newspapers sold in the United States. Three huge chains, Gannett, Knight Ridder and the Chicago Tribune Co., together account for a quarter of all the daily newspaper circulation in the nation.[4]

---

[1] *Notice of Proposed Rulemaking,* In the Matter of Cross-Ownership of Broadcast Stations and Newspapers, FCC No. 01-235; and Newspaper/Radio Cross-Ownership Waiver Policy, FCC No. 96-197. September 20, 2001 (Rel.)

[2] *Id.*

[3] "Media Globalopoly; global companies" *The Nation* (September 29, 1999)

[4] Kunkel, Thomas and Gene Roberts, "Leaving Readers Behind: The Age of Corporate Newspapering." Vol. 23 No. 4 *American Journalism Review* (May 1, 2001)

Despite this alarming trend, the Commission is questioning its own long-standing premise that the concentration of ownership matters. Both the Commission, when it first made this rule in 1975, and the Supreme Court in a number of cases, have consistently affirmed the importance of limits on media concentration in order to preserve media diversity. The Commission's 1975 ruling states that "[t]he multiple ownership rules . . . rest on two foundations: the twin goals of diversity of viewpoints and economic competition." However, it notes that the cross-ownership rule, in particular, was based on the diversity goal, explaining that "it is essential to a democracy that its electorate be informed and have access to divergent viewpoints on controversial issues,"[5] and concluding that it is "unrealistic to expect true diversity from a commonly owned station-newspaper combination."[6]

The Commission's position has been supported by the Supreme Court, which on several occasions found that the First Amendment includes the right of people to receive information, not just the right of speakers to speak. That is, it affirmed the principal of diversity in media, the notion that people should be able to choose among many sources of information, viewpoints and ideas. It also has affirmed broadcasters' obligation to include programming that serves the public interest.[7] Regarding the Commission's cross-ownership rule, in particular, the Court found that it "was founded on the very same assumption that underpinned the diversification

---

[5] Amendments of Sections 73.34, 73.240, and 73.636 of the *Commission's Rules Relating to Multiple Ownership of Standard, FM, and Television Broadcast Stations,* Docket No. 18110, *Second Report & Order*, 50 FCC2d at 1074 (1975)

[6] *Id.* At 1079-1080

[7] Media Access Project et al., Comments in response to the FCC's *Second Further Notice of Proposed Rule Making*, FCC No. 96-438 (released November 7, 1996) and its *Notice of Proposed Rulemaking,* FCC 96-437 (released November 7, 1996).

policy itself….that the greater number of owners in a market, the greater the possibility of achieving diversity of program and service viewpoints."[8]

The AFL-CIO is troubled that despite the Commission's past position, repeatedly affirmed by the Supreme Court, the Commission now asks for evidence to demonstrate why it should not modify or throw-out the cross-ownership rule. The AFL-CIO believes that the burden of evidence instead should be on those who want to change the rule, to show that weakening it will not create harm.

Diversity of ownership is essential for diversity of voice. Loosening or eliminating the broadcasting/ newspaper cross-ownership rule will harm information and viewpoint diversity in the following ways.

- Merging broadcasting and newspaper (and other news media, e.g., web-sites) production organizations into single "content" units will reduce the number of distinct "voices" within local news markets with different perspectives and viewpoints.
- It will contribute to the continued decline in the quality and diversity of local news media outlets.
- It will further erode the amount, quality and diversity of public interest news coverage, including federal, state and local government activities, foreign affairs, political events, and investigative/critical reporting.
- It will further reduce minority ownership of media outlets, reducing content targeted to minority audiences.

---

[8] *FCC v. National Citizens Comm. For Broadcasting,* 436 U.S. at 814 (1978).

II. The Merger of Newspaper/Broadcast Operations in Local Markets Will Reduce Diversity of Voice

The growing trend in co-owned news outlets (TV, newspaper, radio, cable, and Internet) places added pressures on news staffs, already overburdened because of newsroom cost-cutting driven by earlier media consolidations, adversely affecting the quality and scope of news operations. More important, the merging of news operations creates a homogenization of news products delivered through multiple media channels, along with diminished local media diversity.

Media consolidation has put increasing pressure on local newspapers and broadcast stations to reduce costs and increase profits. As large newspaper chains absorbed large numbers of local newspapers in the late 1980s and the 1990s, editors, whose compensation was more and more of tied to corporate financial performance, made (sometimes draconian) cuts in their newsholes and news staff, requiring newspaper staffs to do more with less, with predictable impacts on quality of their product. For example, after the *Asbury Park Press*, New Jersey's second-largest paper—that was once considered one of the most enterprising independent papers in the nation—was sold to Gannett in 1997, the newly appointed publisher slashed the newsroom staff from 240 to 185. The result was an exodus of the *Press'* most talented people, shortened stories, de-emphasized government news and more trivialized local news.[9]

TV news directors have confronted similar pressures from their corporate owners to cut back resources while increasing programming demands. According to a recent study by the Columbia University Graduate School of Journalism's Project for Excellence in Journalism—reported in the Columbia Journalism Review—half of all TV stations surveyed reported they had either budget cuts or layoffs in the last year, the average cut being 8 percent. In addition, 60 percent of the stations made unscheduled budget cuts over the last fiscal year. At the same time, two-thirds of the stations said they added broadcast hours, and 57 percent had to produce the same or more news despite layoffs, budget freezes or budget cuts.[10]

Based on the experience of existing cross-owned news outlets, relaxing restrictions on newspaper/broadcast cross-ownership will add additional burdens on news workers, who find themselves required to practice their craft in multimedia formats for which they have had little prior experience or training. For example, almost every newspaper in the country has an Internet web-site, and reporters are finding themselves with increased work loads and difficulties adjusting to having to write for the two different formats. The raw material for an article written by newspaper reporters often goes online before a final edited version appears in print.[11] KIRO-AM-TV in Seattle, WA, once the poster-child for TV-radio mergers, ran into trouble because of the differing formatting requirements of TV and radio: it was difficult to get TV reporters to devote enough time to radio which requires much more live material, while the radio reporters were uncomfortable doing on-air television reports.[12]

The difficulties arising from trying to combine different types of news operations will be compounded if local TV and newspapers (along with other outlets) in the same markets are allowed to merge under the same ownership. Two of the best known examples of print-broadcast media convergence are the Tribune Co.-owned *Chicago Tribune* and Chicago television station

---

[9] Kunkel and Roberts, *Id.*

[10] Just, Marion, Rosalind Levine and Todd Belt. "Thinner, Cheaper, Longer." Special Report: Local TV News, *Columbia Journalism Review*/*Project on Excellence in Journalism* (November/December 2001). Pp. 12-13

[11] Phone conversations with Linda Foley, president and Larkie Gildersleeve, director of research, The Newspaper Guild-Communications Workers of America, November 30/December 3, 2001.

[12] McClellan, Steve. "The urge to merge: TV, radio and print operations move in together." Vol. 125, No. 36

WGN among several other media properties[13] and Media General's[14] ownership of the *Tampa Tribune*, WFLA-TV and Tampa Bay Online. Tribune Co. executives boast that theirs is a "content company," in which the *Chicago Tribune* and its other newspapers are used as "content factories" for online sites, local television stations and cable news outlets.[15]

Media General's Tampa, FL media convergence goes even further, bringing together its print, television and online operations under the same roof in the same building, ostensibly to make it easier to exchange stories and resources.[16] It's goal is to create a single news-gathering operation to feed print, television, and the web. Last year it reported more than 600 "acts of convergence," defined as print, broadcast and Web staff working together to report one story.[17] Media General is planning to adapt its Tampa model to five regions in Alabama, Georgia, South Carolina, Tennessee, and Virginia where it operates newspapers near television stations and has joint Web sites.

In cross-ownership situations, reporters who once worked just for television or for print, are now writing a TV story, writing a newspaper article on the same story, and producing an online version. Newspaper photojournalists are being required carry both still and video cameras

---

Broadcasting & Cable (September 4, 1995).

[13] Tribune Co. properties include 4 newspapers, 16 TV states (with shared ownership of two others), 4 radio stations, 3 local cable news networks, an educational book division, a producer and syndicator of TV programming, including Geraldo Rivera's daytime talk show, a partnership in the new WB television network, the Chicago Cubs and other new-media investments. Auletta, Ken. "The State of the American Newspaper." *American Journalism Review* (June 1998).

[14] Media General owns 26 daily newspapers and 21 television stations in 10 states from Virginia to Mississippi (www.media-general.com).

[15] Autletta, *Id.*

[16] Al Tompkins and Aly Colon, "Tampa's media trio," Vol. 130, Issue 15 *Broadcasting & Cable* (April 10, 2000)

[17] Rabasca, Lisa. "Benefits, Costs, and Convergence" *Presstime Magazine* (June 2001) (www.naa.org/presstime/0106/convergence.html).

on their assignments.[18] Employees are required to do double and treble duty producing copy for the different media meeting continuous, rather than daily, deadlines. The blending and cross-utilizing of media operations also requires news decisions for all the outlets to be made in a coordinated way, sometimes in the same meeting.[19]

Although proponents of cross-ownership claim this coordination leads to greater efficiencies, that is not the issue. These efficiency gains do not offset the serious harm to diversity of voice that results from diminished quality and homogenization of news products, and fewer independent local media voices. Media convergence strongly lends itself to homogenization of the products coming out of the different media outlets where news is generated under the same roof by the same news staff. What was once two independent media organizations with separate editorial and reporting staffs, producing unique news products, now becomes a single voice. A serious consequence of shrinking local media voices, especially where there is only one local newspaper, is the loss of independent local media sources capable of generating critical editorials, opinions and reportage regarding local broadcast programming, or business interests tied to broadcasters, or politicians who favor such business interests.[20]

III . Localism Will Diminish if the Cross-Ownership Bam is Relaxed

Media cross-ownership will exacerbate the trends of declining local media voices and of national programming driving out local-programming, that has been fostered by concentration of media ownership. The loss of voice is especially evident in local newspaper markets. As Thomas Kunkel, dean of the Phillip Merrill College of Journalism at the University of Maryland

---

[18] Auletta, *Id.*

[19] Kunkel and Roberts, *Id.*

[20] Kimmelman, Gene. Co-Director, Washington Office, Consumers Union. Testimony Before the Senate Committee

and president of American Journalism Review, and Gene Roberts, longtime executive editor of the Philadelphia Inquirer and former managing editor of the New York Times, note in the *American Journalism Review*:

> "unlike other realms of business, in the newspaper industry, consolidation—in tandem with the chains' desperation to maintain unrealistic profit levels (most of these companies are now being publicly traded)—is actually reducing the amount of real news being gathered and disseminated, most conspicuously at the local and state levels, where consumers need it the most. This is because consolidation has resulted in far fewer news outlets, and the economic pressures have resulted in fewer reporters with fewer inches in the paper to say anything.[21]

In most cities and small towns, there is only one financially-stable, community-wide newspaper. In the 1920s, more than 500 cities and towns had two or more competing newspapers, including 100 cities with three or more papers. By 1998 that figure had decreased to 34 cities. Half the newspapers in the United States have a circulation of less than 13,000. In most of these communities, local residents have few other alternatives to learn about local events, activities or offers from town government (or even the state government) meetings, developments of the school board, entertainment, local sports teams, available real estate, and the like. At the same time, local advertisers from local retailers to real estate brokers know that the local daily newspaper is the most efficient medium for them to reach their market.[22] Broadcast does not compete effectively with newspapers in these markets.

The Commission should therefore be concerned that over the last decade a large portion of these local dailies have been bought—and often sold and bought again—by larger, non-local newspaper chains. A study by the Project on the State of the American Newspaper which

---

on Commerce, Science, and Transportation on Media Consolidation (July 17, 2001).

[21] Kunkel and Roberts, *Id.*

[22] Gomery, Douglas. "Ownership Policies, Diversity, and Localism." Statement to *FCC Roundtable on Media Ownership Policies* (October 29, 2001)

documented every newspaper sale from 1994 through July 2000—a total of 713 transactions—found that two-thirds of these sales involved one of these community newspapers. During that period, 47 percent of all local papers changed hands, sometimes three or four times. For example, the Northwestern (circulation 23,500) in Oshkosh, Wisconsin, which had been locally owned since the Andrew Johnson administration, was sold three times in less than three years.[23] As Kunkel and Roberts observe, "since with each swap a paper typically is more highly leveraged, budgets got tighter, and content of necessity became expendable.[24]

As a result of this large-scale shift from local to non-local corporate ownership, there now are fewer than 300 independent newspapers out of 1,500 dailies in the United States.[25] Driving most of these sales is a corporate ownership strategy called "clustering," in which a company purchases multiple media properties—ranging from as few as two papers, but typically five or six, and some as high as eight or more—in close geographical proximity to one another or to its existing newspapers. For example, the Newhouse and Gannett chains together own 13 out of 19 dailies in New Jersey, or 73 of percent of all circulation of that state's newspapers. There are at least 125 such clusters in the nation, involving a quarter of all daily newspapers.[26]

The concentration of and shift away from local ownership to large corporate chains and clustering reduces the number of separate newspaper voices in the same area. Management decisions for local papers are subsequently removed from local communities, creating more distance between the owners and readers, as well as a loss of local editorial independence. For

---

[23] Reported in Kunkel and Roberts, *Id.*

[24] Kunkel and Roberts, *Id.*

[25] "Newspaper Acquisitions Totaled $14.25 Bln in 2000, Set Record" *Bloomberg News* (January 11, 2001)

[26] Kunkel and Roberts, *Id.*

example, in 1998, Gannett merged a cluster of 10 small local dailies in Westchester County, NY it collected over the years into a larger metro, the Journal News.[27]

The concentration of local television stations by large national networks, which now is being facilitated by the Commission's loosening of the duopoly ruling, is taking a similar toll on diversity in local TV news programming. Local TV stations are increasingly pressured by their corporate owners to improve their bottom-lines, which is largely dependent on maintaining advertisement revenues. These pressures raise serious questions about the ability of local news stations to maintain their journalistic independence. On the one hand, local TV news directors are under increasing pressure to tailor their news programming to satisfy large local advertisers. The Project on Excellence in Journalism found in its survey of 118 news directors around the country that more than half reported that advertisers pressure them to kill negative stories or run positive ones. It found that news directors believe that the wall between sales and news is getting harder to maintain, and sales are having more and more influence on newscasts. Almost one in five news directors—especially in smaller markets—say that their sponsors try to prevent them from covering stories. One quarter of news directors in small markets—those under 376,000 households—report that they have been pressured to censor their news.[28]

A potentially greater threat to local TV independence comes from the ability of the large national television networks, which already dominate primetime television viewing, to influence local TV programming. As Consumers Union Washington Office director Gene Kimmelman recently testified, before the Senate Committee on Commerce, Science, and Transportation, "there is a substantial danger that further ownership of local stations would lead to increased

---

[27] Kunkel and Roberts, Id.

[28] Just, Marion and Rosalind Levine, "News For Sale." Special Report: Local TV News, *Columbia Journalism*

pressure on local stations to carry nationally-oriented programming which maximizes national advertising revenue, at the expense of local-programming."[29]

Newspaper/TV cross-ownership in local markets adds to the pressures on both local newspapers and local TV stations to shape their news coverage to meet the needs of their absentee corporate owners rather than those of their local readers and listeners. For example, Rupert Murdoch's News Corp's is in the process of purchasing ten Chris-Craft-owned TV news stations in New Jersey, including channel 9, WWOR-TV from Secaucus, NJ, the state's only VHF TV station. Murdoch's other properties include the *New York Post* and New York's channel 5, WYNY-TV station. The cross-ownership rule, which Murdoch hopes to see overturned, currently hinders completion of this deal, which would turn Ch. 9 into an extension of the Murdoch's New York properties, with much less attention to New Jersey news.

The Chicago Tribune Co.'s takeover of Times-Mirror in early 2000 gives it control over such properties as the *L.A Times*, *Newsday*, the *Baltimore Sun* among other respected papers, as well as television stations in all its major newspaper markets. We need to be alert to the dangers that such mergers within and across media industry sectors will upset the essential checks and balances in media coverage of news and information, including how it affects the business interests of newspapers and broadcasters, which is so vital to maintaining our democracy.[30]

IV. Cross-Ownership Will Contribute to Reduced Coverage of Public Interest News

There is substantial evidence that greater media concentration, in both the newspaper and broadcast sectors, contributes to reduced public interest and culturally diverse news coverage,

---

Review/Project on Excellence in Journalism (November/December 2001). Pp. 2-3

[29] Kimmelman, *Id.*

[30] Kimmelman, *Id.*

especially in local media markets.[31] Public affairs programming and stories, of local, state and federal government activities, international affairs, political events and activities, and investigative/critical journalism, are especially vulnerable to the growing pressures of commercialization and concentration in most media sectors. To the extent that cross-ownership of these media increases concentration, as has been argued above, it will create additional downward financial pressures on local news editors and directors to cut public affairs programming.

In the first-ever comprehensive survey of newspaper coverage of state capitals, the Project on the State of the American Newspaper documented a strong nationwide retreat from state government coverage throughout the decade of the 1990s—sometimes to the point of near abandonment. It found only a total of 513 full-time reporters at all 50 state capitals, which is in stark contrast to the number covering media events, such as the Super Bowl, where more than 3,000 media credentials are issued each year. Over a decade, newspaper commitment to statehouse coverage fell in 27 states, among them New York, Michigan, Connecticut and Illinois. In fast-growing Georgia, statehouse coverage had almost disappeared.

A similar lack of coverage was found in the nation's capital. A 1999 survey of 19 key departments and agencies showed a wholesale retreat in coverage of the federal government. Regular reporting on the Supreme Court and the State Department, for instance, dropped off considerably throughout the '90s. Until the recent crisis, local print coverage of foreign stories also declined. In a comparative survey of 10 metropolitan newspapers, the Project found that coverage of international events dropped from 5 percent in the mid-1960s to just 3 percent in the

[31] See Cooper, Mark N. "Mapping Media Market Structure at the Millennium." Appendix to Statement. *FCC Roundtable on Media Ownership Policies* (October 29, 2001) for a summary of this evidence, especially footnotes 109-113.

late 1990s.[32]

Newspapers have been shown to be more effective sources of information than broadcast media leading to public understanding of policy and political issues.[33] In any event, public affairs coverage on local TV stations also has been diminishing. For example, the Project for Excellence in Journalism reported that poverty, welfare, and homelessness are all but absent in local TV news. Out of nearly 6,000 stories studied, less than one percent (only 9 stories) dealt with these topics. Coverage of politics, policy and government dropped by nearly half from the previous year, to just 8 percent of all stories. The report further castigates local broadcasting for showing "little energy imagination" on the air in covering defense and international issues. Only 12 percent of all defense stories were based on breaking news. About twice that, or 23 percent, were news conferences, 43 percent used feed material. In addition, although half the stories connected the national story to the viewing audience, local stations were almost equally likely to simply pass along the latest updates without explaining their local impacts. That is, the local stations mostly duplicated their networks instead of supplementing them with original, more nuanced coverage, the report said.[34] Even on network television, Dan Rather noted in a recent speech, foreign coverage had fallen to 6 percent of total news.[35]

V. Minority Media Ownership and Content Will Be Further Reduced

Minority ownership and representation in media markets has declined as a result of media market concentration. Currently, minorities only own 3 percent of all radio and TV

---

[32] The Project results on state, federal and international coverage was reported in Kunkel and Roberts, *Id.*

[33] See Cooper, *Id.* Especially footnote 45.

[34] Brady, Lee Ann and Atiba Pertilla. "The Look of Local News." Special Report: Local TV News, *Columbia Journalism Review/Project on Excellence in Journalism* (November/December 2001). Pp. 11-12.

[35] Cited in Ivans, Molly. "Media for Money," *Working for Change* (www.workingforchange.com) (October 26,

outlets in the nation.[36] TV stations owned by minorities fell from 38 to 32 between 1997 to 1998, and the number of minority TV owners fell from 22 to 13 in the same period.[37]

Research by Joel Waldfogel of the University of Pennsylvania's Wharton School suggests that minorities are better served by minority-owned media outlets, which contain more minority-oriented content. For example, a study of black-targeted radio shows, that although most black-targeted radio stations are white-owned, black-owned stations have more black-targeted programming. Thus, Waldfogel concludes that we should expect reduction in targeted outlets to reduce minority listener satisfaction.[38]

In light of these findings, the currently miniscule amount <u>and</u> declining level of minority-owned media raises concerns that our ethnic and racial minority citizens are not well served by our media industries. As Joe Lawson, past president of the National Association of Minorities in Communications, argued in response to Viacom's purchase of the Black Entertainment Network (BET), "The sense of community and connection to cutting-edge issues for people of color is usually not the same [as] when the station or the network is minority-owned. . . . There need to be media outlets that are owned by African-Americans and if the industry cannot keep

---

2001).

[36] Yung, Katherine. "Newspaper Companies Push for Eased Rules on Ownership." *The Dallas Morning News* (August 26, 1999)

[37] Halonen, Doug. "Minority Numbers Go Even Lower: Gore, Kennard Upset," *Crain Communications Inc.* (September 21, 1998).

[38] Waldfogel , Joel. "Comments on Consolidation and Localism." Statement for *FCC Roundtable on Media Ownership Policies* (October 29, 2001). Siegelman, Peter and Joel Waldfogel, "Race and Radio: Preference Externalities, Minority Ownership and the Provision of Programming to Minorities." Attachment to *Statement for FCC Roundtable on Media Ownership Policies;* Waldfogel, Joel. "Preference Externalities: An Empirical Study of Who Benefits Whom in Differentiated Product Markets," *NBER Working Paper 7391* (October 1999); George, Lisa and Joel Waldfogel. "Who Benefits Whom in Daily Newspaper Markets?" *NBER Working Paper 7944* (October 2000) Olberhozer-Gee, Felix and Joel Waldfogel. "Electoral Acceleration: The Affect of Minority Population on Minority Voter Turnout." *NBER Working Paper 8252* (April 2001)

the voice alive through other minority-owned networks, this will be a tragic loss."[39] If the cross-ownership ruling, along with other restrictions on media consolidation, are relaxed by the Commission in the coming months, however, such changes will more than likely guarantee that the mostly small and family-owned minority media businesses will be driven out by the large industrial media giants, resulting in significantly greater reductions in media voices that reflect minority tastes and needs.

VI. Conclusion

The Commission should maintain the current rule barring newspaper/broadcast cross-ownership in a single market. It will preserve the *diversity* in information and viewpoints that all American citizens have grown to value, as an essential part of a democratic society. A similar sentiment was expressed in an even earlier ruling by Congress, in the Newspaper Preservation Act of 1970, which upheld "joint newspaper operating arrangements" in order to preserve multiple, independent voices in local newspaper markets.[40]

Diversity of ownership is essential for diversity of voice. If the Commission chooses to relax or eliminate the ban on cross-ownership, media concentration will grow and information and viewpoint diversity will suffer. First, cross-ownership will foster mergers of newspaper and broadcast operations in local markets which will create a homogenization of news products and diminished diversity of editorial and reporting viewpoints. Second, relaxing the cross-ownership ban will further diminish the independence and diversity of local media voices. Third, it will create additional pressures on local news editors and directors to curtail public affairs

[39] Umstead, Thomas. "Viacom Buys BET for $3B; Deal Adds New Niche to Video Network's Roster," *Multichannel News* (November 6, 2000)

[40] US Code: Title 15, §1801-§1804.

programming. Finally, minority-ownership and minority media voices are likely to decline further.

The ostensible economic advantages of freeing newspapers and broadcast firms from merging in the same local markets touted by the proponents of cross-ownership need to be weighed against these significantly adverse impacts on media diversity. The cost to the average American, in the forms of diminished localism, viewpoint independence and media voice, to paraphrase a statement by University of Maryland Professors Thomas Kunkel and Gene Roberts "could be high for a nation whose democracy depends on an informed citizenry."[41]

Respectfully Submitted,

Joel S. Yudken, Ph.D.
Sectoral Economist & Technology
Policy Analyst

Christine Owens
Director, Public Policy Department,
American Federation of Labor and
Congress of Industrial Organizations

December 4, 2001

[41] Kunkel and Roberts, *Id.*